

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES
(APWU/USPS-28, 35 AND 37)**

The United States Postal Service hereby files an institutional response to the above-listed interrogatories of the American Postal Workers Union dated April 6, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno, Jr.
Chief Counsel, Global Business and Service
Development

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
July 2, 2012

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO AMERICAN POSTAL WORKERS UNION INTERROGATORY

APWU/USPS-28 Please provide the percentage of volume in each parcel subcategory that is considered to be qualified as “turnaround” mail.

- a) Does this “turnaround” parcel volume currently receive overnight delivery?
- b) What percentage of this “turnaround” parcel volume currently receives overnight service, measured on a national basis?
- c) What percentage of the current “turnaround” volume for each parcel subcategory that currently receives overnight service is expected to continue to receive overnight service in the new Network Rationalization plan?

RESPONSE

As used below, the word “currently” refers to service standards in effect before July 1, 2012.

- a) Intra-SCF First-Class Mail parcels currently have a 1-2 day service standard.
Intra-SCF Package Service parcels currently have a 2-4 day service standard.
- b) 99.7 percent of Intra-SCF First-Class Mail parcels currently have an overnight standard. No Intra-SCF Package Service parcels currently have an overnight standard.
- c) 99.9 percent of current Intra-SCF First-Class Mail parcels will remain overnight once the Interim Rule is applied. There are no Intra-SCF Package Service parcels currently overnight nor will there be once the Interim Rule is applied.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-35

- a. For the most recent period available, provide the underlying components of the data from the Vehicle Maintenance Accounting System that are used to produce the per mile and per hour rates used by the Postal Service to calculate the cost of PVS operations. For example, please show fuel costs, maintenance costs, parts costs, depreciation, hours and miles separately for each of the types of equipment in the following list:

- i. single axle tractors
- ii. dual axle tractors
- iii. trailers
- iv. 11 ton straight trucks
- v. 9 ton straight trucks
- vi. 7 ton straight trucks
- vii. 2 ton vans
- viii. 2 1/2 ton vans.

- b) Please describe what labor costs would be included in these calculations. If there are LDC 30 and LDC 31 hours included in these numbers please be explicit about how those costs are included.

RESPONSE:

- a. Vehicle cost categories used to calculate cost per hour and cost per mile in the Vehicle Management Accounting System (VMAS) includes Fuel and Oil, Allied Labor, VMF Parts, Direct Maintenance Labor, Contract Labor, Contractor Parts, Distributed Cost, and Vehicle Depreciation.

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO AMERICAN POSTAL WORKERS UNION INTERROGATORY

RESPONSE to APWU/USPS-35 (continued)

October 2011 - March 2012

Reference: Vehicle Maintenance Accounting System (VMAS)

	<u>CPM</u>	<u>CPH</u>
Single axle tractors	\$1.19	\$11.50
Dual axle tractors	\$1.32	\$15.45
Trailers	N/A	N/A
11 ton straight trucks*	\$1.53	\$14.06
9 ton straight trucks	N/A	N/A
7 ton straight trucks	N/A	N/A
2 ton vans	N/A	N/A
2 1/2 ton vans	N/A	N/A

Trailer costs are not calculated therefore not available

9 ton straight trucks are not in the fleet

7 ton straight truck costs are included with 11 ton

2 ton vans are not applicable to PVS

2 1/2 ton vans are not applicable to PVS

Cost Components	Cost Per Mile (CPM)			Cost Per Hour (CPH)		
	Single Axle	Dual Axle	7/11 Ton	Single Axle	Dual Axle	7/11 Ton
Fuel	\$ 0.64	\$ 0.70	\$ 0.55	\$ 6.30	\$ 8.17	\$ 5.07
Allied Labor	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.10	\$ 0.12	\$ 0.18
VMF Parts	\$ 0.12	\$ 0.15	\$ 0.21	\$ 1.10	\$ 1.70	\$ 1.90
Direct Maintenance Labor	\$ 0.11	\$ 0.11	\$ 0.19	\$ 1.00	\$ 1.30	\$ 1.76
Contract Labor	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.43	\$ 0.57
Contract Parts	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.10	\$ 0.40	\$ 0.31
Distributed Cost	\$ 0.06	\$ 0.07	\$ 0.12	\$ 0.60	\$ 0.85	\$ 1.06
Vehicle Depreciation	\$ 0.22	\$ 0.21	\$ 0.35	\$ 2.10	\$ 2.48	\$ 3.21

Reference / Definition:

Allied Labor: USPS labor cost for fueling vehicles

Distributed Cost: USPS clerical and management labor cost

- b. Labor costs are included in the table above. LDC 30 and LDC 32 hours are noted as Distributed Cost.

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO AMERICAN POSTAL WORKERS UNION INTERROGATORY

APWU/USPS-37

Provide the LDC 30 and LDC 31 hours for the same time period as the VMAS report and a complete description of those jobs. Please describe how the LDC 30 and LDC 31 hours are split between vehicle maintenance and transportation network work and provide an approximation of the percentage of hours in these LDCs that are applicable to each functional group.

RESPONSE:

For the same period shown in the table above (October 2011 thru March 2012), LDC 30 and LDC 31 hours reported are 1,405,294 and 1,371,569, respectively.

Job descriptions for Vehicle Maintenance positions assigned to Vehicle Maintenance Facilities for LDC 30 include Manager, Vehicle Maintenance; Manager, Vehicle Maintenance Facility; Supervisor, Vehicle Maintenance; and Supervisor, Vehicle Supply. Job descriptions for Vehicle Maintenance positions assigned to Vehicle Maintenance Facilities for LDC 31 include Storekeeper; Tool and Parts Clerk; and General Clerk. Job descriptions for all positions identified are included in the file named "Job Descriptions APWU 37".

Total hours for vehicle maintenance facilities and transportation functions are split by budget finance account designation. Total hours for LDC 30 and LDC 31 are split as 35% vehicle maintenance and 65% transportation (PVS) network.